Sanitized Copy Approved for Release 2011/09/19: CIA-RDP80-00809A000600270588-0

50X1-HUM

CLASSIFICATION

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

CD NO.

COUNTRY

Communist China

SUBJECT

Recommic - Coal mines

INFORMATION

1949

HOW

DATE DIST. 22 Dec 1949

PUBLISHED Daily newspaper

WHERE

PUBLISHED Shen-yang NO. OF PAGES

DATE

PUBLISHED 24 Jul - 21 Aug 1949

SUPPLEMENT TO

Chinese LANGUAGE

REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE

Tung-pai Jih-pao.

CRITICIZES MINE EFFICIENCY, PLANNING

T'UNG-HUA MINES CONCENTRATES ON IMMEDIATE OUTPUT -- Tung-pei Jih-pao, 7 Aug 49

According to the results of January-July 1949 operation's, the T'ung-hua coal mines have been guilty of neglecting long-range, scientific mine development in favor of concentrating on immediate production. This policy has resulted in waste and inefficiency and has affected mine longevity and miners' security. For example, proper construction of tunnel supports has not kept abreast of coal extraction. There are 5,000 meters of tunnels, from which there would be a normal production of 50,000 tons. Actual production for the period, however, emounted to 170,000 tons which resulted in excess costs of production and inefficient exploitation of resources.

There are also many faults in the management. The managers make inaccurate estimates of costs. At every conference when plans for production are made, they minimize what is required of them and magnify their difficulties, insisting on large allowances for supplies. The managers concern themselves only with meeting the production quota, no matter what the cost. Of course in actual production a certain amount of material must be used, but when supplies are exhausted, they simply ask for more from their superiors. When supplies are received, they merely pass them on, thinking that their duty is done.

Budgets and credits are still more muddled. Managers do not use them to hold down costs, but merely as means for obtaining goods. In restigation showed that in 3 months (April-June) expenditures for wages exceeded appropriations by more than 2 billion yuan. To show low cost, materials were listed lower than the original cost by mine managers. For instance, mine timbers made by a certain company were priced at 600,000 yuan a cubic meter (the forestry bureau charges 1,800,000). Some mines priced left-over material at last year's price which is two or three times lower than current costs.

- 1 -

CLASSIFICATION			CONFIDENTIAL	
STATE	X NAVY	X NSRB	DISTRIBUTION	
ARMY	X AIR	X FBI		

المرافقة ال المرافقة المرافقة ال	1 200			
CONFIDENTIAL			50X1-H	UM

As yet there is no good plan for overcoming lack of organization and discipline. Not only is the carrying out of instructions clumsy, but the handling of the system of requisitions and reports is inefficient. Houses costing millions of yuan were torn down without permission. The month-end surplus is frequently not reported, but the next month's allouent is claimed.

FOU-ESIN MINES EXPANDING -- Tung-pei Jih-pao, 1 Aug 49

Fou-hain Coal Mines are rapidly recovering. In the last 5 months 21,600 meters of tunnel have been restored, and 30 pits are in production. Recovery has been far ahead of schedule.

FOU-HSIN COAL MINES FLOODED -- Tung-pei Jih-pao, 21 Aug 49

Fou-hein - After many days of rain, the Fou-hein Coal Mines have suffered heavy damage as a result of the flooding of pits and shafts. The daily average cutput has been reduced from 7,000 to 1,000 tone per day. Much machinery has been submerged and damaged.

This loss is primarily due to the previous pinch-penny policy of the KMT which thought only of taking out the coal, but spent nothing to protect the mines from such demages. It is also due to insufficient attention to technical improvements by the present management. Urgent measures to restore production and prevent a repetition of this experience have been put into effect.

RECONSTRUCTION WORK AT PEN-CH'I COAL MINE -- Tung-pei Jih-pao, 24 Jul 49

Rehabilitation of the Pen-ch'i Coal Mine, started in November 1948, is making rapid progress. By using twelve 50-150-horsepower water pumps, water from the inundated mine was completely removed by April 1949. Since then, repairs on all surface machinery as well as three machinery sheds located inside the mine have been completed. The repair of underground railroad tracks is now in progress.

- E N D -

- 2 -

CONFIDENTIAL